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EXAMINER

NGUYEN, NGA B

ART UNIT

PAPER NUMBER

3628

DATE MAILED: 02/28/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/501,154

Applicant(s)

Sankaran

Examiner

Nga B. Nguyen

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— The MAILING DATE of this communication appears on the cover sheet with the correspondence address —

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE three MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136 (a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on Feb 9, 2000.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-30 is/are pending in the application.
- 4a) Of the above, claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-30 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claims _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are objected to by the Examiner.
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. § 119

- 13) ☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d).
- a) ☐ All b) ☐ Some* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- *See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).

Attachment(s)

- 15) ☒ Notice of References Cited (PTO-892) 18) ☐ Interview Summary (PTO-413) Paper No(s). _____
- 16) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948) 19) ☐ Notice of Informal Patent Application (PTO-152)
- 17) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s). 5 20) ☐ Other:

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DETAILED ACTION

1. This Office Action is the answer to the communication filed on February 9, 2000, which paper has been placed of record in the file.

2. Claims 1-30 are pending in this application.

Claim Rejections - 35 USC § 112

3 The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

4. Claim 2 is rejected under 35 U.S.C. 112, second paragraph, as failing to set forth the subject matter which applicants regard as their invention. "The underwriter" (line 2) is lack of antecedent basis.

Claim Rejections - 35 USC § 101

5. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

6. Claims 14-30 are rejected under 35 U.S.C 101 because the claimed invention directed to non-statutory subject matter, particularly, an abstract idea.

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The claims, as presently claimed and best understood were reconsidered in light of the "Examination Guidelines for Computer-Related Inventions" and were found to be non-statutory. Discussion of the analysis of the claims under the guidelines follows.

As to claims 14-30, the invention is not implemented on a specific machine or apparatus; therefore, the invention is not directed to the technological arts. To be statutory, the utility of an invention must be within the technological arts. In re Musgrave, 431 F.2d at 893, 167 USPQ at 289-90, cited with approval in In re Schrader, 22 F.3d at 297, 30 USPQ 2d at 1461 (Newman, J., dissenting). The definition of "technology" is the "application of science and engineering to the development of machines and procedures in order to enhance or improve human conditions, or at least to improve human efficiency in some respect." (Computer Dictionary 384 (Microsoft Press, 2d ed. 1994)). When one looks to the present specification to determine what the applicant has invented, the invention appears to be a series of steps performed on a computer. However, claims 14-30 do not recite any apparatus. Thus, it is clear that claims 14-30 are intended to be directed to the abstract method apart from the apparatus for performing the method. Therefore, claims 14-30 are non-statutory, because they are directed solely to an abstract idea without practical application in the technological arts. In re Schrader, 22 F.3d at 293-94, 30 USPQ 2d at 1458-59; In re Warmerdam, 33 F.3d at 1360, 31 USPQ 2d at 1759.

It is for these reasons that these claims are deemed to be non-statutory.

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Claim Rejections - 35 USC § 102

7. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless --

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371© of this title before the invention thereof by the applicant for patent.

The changes made to 35 U.S.C. 102(e) by the American Inventors Protection Act of 1999 (AIPA) do not apply to the examination of this application as the application being examined was not (1) filed on or after November 29, 2000, or (2) voluntarily published under 35 U.S.C. 122(b). Therefore, this application is examined under 35 U.S.C. 102(e) prior to the amendment by the AIPA (pre-AIPA 35 U.S.C. 102(e)).

8. Claims 1-6, 8, 9, 11-14, 16, 17, 20-22, 24-26, 28, and 30 are rejected under 35

U.S.C. 102(e) as being anticipated by Hallbert et al, U.S. Patent No. 6,101,484.

Regarding to claim 1, Hallbert discloses a system for offering a multi-class instrument, comprising:

a central processing unit, a program memory (figure 1, item 38 and column 13, lines 1-9), a structure database (column 10, lines 10-48); and an investor database (column 10, lines 49-67);

wherein the CPU, program memory, structure database and investor database are in communication with one another (column 7, lines 22-35),

wherein the structure database stored a structure representative of a plurality of classes of the multi-class instrument (column 10, lines 10-48 and column 4, lines 50-58), and

wherein the system operates to display class information related respectively, to each class of the multi-class instrument, receive bid information, and modify the structure database in

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response to the bid information and display updated class information (column 7, line 45-column 8, line 60 and column 12, lines 3-14).

Regarding to claim 2, Hallbert discloses notify the underwriter of an amount of collateral to purchase in view of the bid information received (column 9, lines 43-58).

Regarding to claim 3, Hallbert discloses the bid information includes price and amount information (column 10, lines 57-58).

Regarding to claim 4, Hallbert discloses an input for receiving market information (column 8, lines 5-10).

Regarding to claim 5, Hallbert discloses the structure database is modified further in view of the prevailing market price of collateral (column 7, lines 64-67).

Regarding to claim 6, Hallbert discloses means for transmitting the class information over the Internet (column 7, lines 15-21).

Regarding to claim 8, Hallbert discloses an electronic trading system for offering a multi-class instrument, comprising:

a computer system, a database and a modem (figure 1, items 34, 38, 140),

wherein the database stores offer information related to the respective classes of the multi-class instrument, the modem receives price and amount bids for at least on of the classes of the multi-class instrument, and the computer system modifies the offer information of at least one of the classes of the multi-class instrument based on received price and amount bids (column 10, lines 10-48 and column 7, line 45-column 8, line 60).

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Regarding to claim 9, Hallbert discloses the electronic trading system responds to any single price and amount bid within a predetermined period of time (column 8, lines 28-40).

Regarding to claim 11, Hallbert discloses price and amount bids are periodically received and the system updated class displays with updated offer information (column 8, lines 20-52).

Regarding to claims 12, Hallbert discloses the offer information is updated based on market conditions (column 7, lines 64-67).

Regarding to claim 13, Hallbert discloses means for operating the system over the Internet (column 7, lines 15-21).

Regarding to claim 14, Hallbert discloses a method for offering a multi-class instrument, comprising the steps of:

storing an initial offer price and an initial offer amount related to at least two classes of the multi-class instrument (column 10, lines 10-48 and column 11, lines 40-45);

displaying the offer price and offer amount (column 11, lines 25-60);

receiving at least one of a counter offer price and a counter offer amount information (column 8, line 62-column 9, line 42);

modifying the initial offer price and initial offer amount of at least one of the classes of the multi-class instrument based on at least one of the counter offer price, counter offer amount and market conditions (column 7, line 64-column 8, line 60),

accepting the counter offer price and counter offer amount (column 9, lines 33-42); and

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indicating the amount of collateral to purchase to underwriter the counter offer price and counter offer amount (column 9, lines 43-58).

Regarding to claim 16, Hallbert discloses matching the counter offer price and amount offer amount with stored prices and amounts (column 9, lines 18-26).

Regarding to claim 17, Hallbert discloses a method for offering a multi-class instrument, comprising the steps of:

displaying offer information for each of the classes of the multi-class instrument (column 8, lines 62-67);

receiving a first bid for one of the classes of the multi-class instrument and comparing the first bid to the offer information (column 7, line 64-column 8, line 27);

modifying the offer information with respect to another one of the classes of the multi-class instrument based on the first bid (column 7, lines 20-27);

displaying modified offer information with respect to the another one of the classes (figure 3B);

receiving a second bid for the another one of the classes (column 8, lines 28-40);

accepting the first and second bids (column 9, lines 33-42); and

determining the amount of collateral to purchase to underwrite the first and second bids (column 9, lines 43-58).

Regarding to claim 20, Hallbert discloses modifying the offer information in view of prevailing market conditions (column 7, lines 64-67).

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Regarding to claim 21, Hallbert discloses a method for offering multi-class instruments, comprising the steps of:

offering a plurality of classes of the multi-class instrument (column 7, lines 35-63);

receiving counteroffers in response to the offered plurality of classes (column 7, line 64-column 8, line 27);

modifying the structure of at least one of the classes of the multi-class instrument in view of the counteroffers (column 8, lines 20-27); and

re-offering the plurality of classes of the multi-class instrument (column 8, lines 28-60).

Regarding to claim 22, Hallbert discloses at least one iteration of steps a-d within a predetermined period of time (column 8, lines 28-60).

Regarding to claim 24, Hallbert discloses modifying the structure of at least one of the classes comprises considering prevailing market conditions (column 7, lines 64-67).

Regarding to claim 25, Hallbert discloses a method for offering a multi-class instrument, comprising the steps of:

storing data representative of each class of the multi-class instrument (column 10, lines 10-48);

displaying at least a portion of the data at remote locations (column 8, lines 62-67);

receiving, from at least one remote location, at least one offer to invest in at least one of the classes of the multi-class instrument (column 9, lines 10-17);

modifying the data representative of the multi-class instrument (column 8, lines 20-27);

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re-displaying at least a portion of the data representative of the multi-class instrument (figure 3B); and

receiving, from at least one remote location, a subsequent offer to invest in at least one of the classes of the multi-class instrument (column 8, lines 28-40).

Regarding to claim 26, Hallbert discloses accepting the subsequent offer and purchasing an amount of collateral consistent with the subsequent offer (column 8, lines 28-40).

Regarding to claim 28, at least steps in claim 25 are completed with a predetermined period of time (column 10, lines 18-23).

Regarding to claim 30, Hallbert discloses a method of offering a multi-class instrument, comprising the steps of:

matching investor amount and prices against amount and price of respective classes stored in a class structure database (column 7, lines 45-63);

conducting price and amount equalization among the respective classes in view of the investor mount and prices (column 7, line 64-column 8, line 27);

re-matching investor amount and prices with the equalized price and amount (column 8, lines 28-52); and

purchasing collateral in conformance with the equalized price and amount (column 8, lines 53-60).

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Claim Rejections - 35 USC § 103

9. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

10. Claims 7, 10, 15, 18, 19, 23, 27, and 29 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hallbert et al, U.S. Patent No. 6,101,484.

Regarding to claims 7, 15, 18, 19, 27, Hallbert does not directly teach wherein collateral for the multi-class instrument includes at least one of treasury notes, agency notes, a collateralized mortgage obligation, collateralized bond obligation, collateralized loan obligations, etc....However, Hallbert does teach featured product includes any products or services which might be identified for sale through a co-op (see column 4, lines 25-28). Therefore, it would have been obvious to one with ordinary skill in the art at the time the invention was made to modify Hallbert's to include the special type of products above in order to apply the co-op process of Hallbert for that products.

Regarding to claim 10, 23, 29, Hallbert does not directly teach the period of time for processing one of the step is about 120 seconds or about 1-240 minutes. However, Hallbert does teach the step of modification occurs fast in order to prevent the premature close (see column 8, lines 31-38). Hallbert also teaches the starting and closing time for the auction (see column 10, lines 18-23). Moreover, it is a method of choice and well-known to set a particular period of time

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for the auction on a product. Therefore, it would have been obvious to one with ordinary skill in the art at the time the invention was made to include the feature above with Hallbert's for the purpose of providing a predetermined period of time for the auction on a product.

Conclusion

11. Claims **1-30** are rejected.
12. The prior arts made of record and not relied upon is considered pertinent to applicant's disclosure: (see form PTO-892 for the list of prior arts).
13. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Nga B. Nguyen, whose telephone number is (703)306-2901. The examiner can normally be reached on Monday-Thursday from 8:30 AM-6:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S. Sough, can be reached on (703)308-0505.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group receptionist whose telephone number is (703)308-1113.

14. **Any response to this action should be mail to:**

Commissioner of Patents and Trademarks
c/o Technology Center 3600
Washington, D.C. 20231

or faxed to:

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(703) 305-7687, (for formal communications intended for entry)

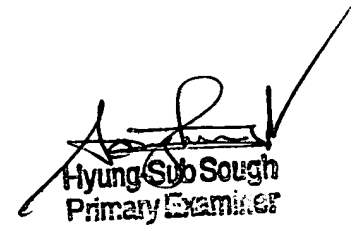
or:

(703) 308-3961 (for informal or draft communications, please label

"PROPOSED" or "DRAFT")

Hand-delivered responses should be brought to Crystal Park 5, 2451 Crystal Drive,
Arlington, VA, Seventh Floor (Receptionist).

Nga B. Nguyen
February 12, 2003


Hyung Sub Sough
Primary Examiner